



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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OFFICE OF THE
REGIONAL ADMINISTRATOR

March 2, 2015

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

RE: Algonquin Incremental Market Project (AIM Project), FERC Docket No. CP14-96-000,
CEQ # 20150025

Dear Secretary Bose:

In accordance with our responsibilities under the National Environmental Policy Act (NEPA), and Section 309 of the Clean Air Act, we have reviewed the Final Environmental Impact Statement (FEIS) for Algonquin's Incremental Market gas pipeline and related facilities in New York, Connecticut, Rhode Island and Massachusetts.

The proposed Algonquin project includes construction and operation of 37.6 miles of natural gas pipeline and associated infrastructure in New York, Connecticut, Rhode Island and Massachusetts. Seventy percent of the work entails replacement of existing pipelines with larger capacity pipe, and the balance of the work is associated with the installation of new pipeline including a new mainline, a loop and a lateral. The project also includes upgrades to existing compressor stations in New York, Connecticut, and Rhode Island.

As described in both the DEIS and FEIS, the majority of the proposed project entails replacement of an existing pipeline with larger pipe to increase capacity. EPA has actively participated as a cooperating agency throughout the FERC review process by offering detailed scoping comments on the project, comments on the interagency review draft of FERC's Administrative Draft Environmental Impact Statement (ADEIS), comments on the DEIS and observations on the Administrative Draft of the Final Environmental Impact Statement (AFEIS). EPA appreciated the brief opportunity to coordinate with FERC in advance of the publication of the FEIS as it provided an opportunity to more fully explain our comments on the DEIS. In addition to the comments on the FEIS provided here, EPA remains willing to work with FERC on this project in the future with a focus on the efficacy of project mitigation measures to address impacts.

Our previous comments on the DEIS focused on impacts to wetlands, drinking water, groundwater supply, greenhouse gas emissions, environmental justice communities, and air quality (during construction and operation of the pipeline). Generally, the responses provided to the majority of our DEIS comments are informative and helpful. The attachment to this letter

highlights several areas where more could be done to characterize and address project impacts. EPA also notes that on December 18, 2014, The Council on Environmental Quality (CEQ) published a draft guidance for public comment directing how Federal agencies should consider the effects of GHG emissions and climate change in NEPA reviews. EPA looks forward to working with FERC on other upcoming actions with the guidance in mind.

Please feel free to contact me or Timothy Timmermann of the Office of Environmental Review at 617/918-1025 if you wish to discuss these comments further.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Curtis Spalding', written in a cursive style.

H. Curtis Spalding
Regional Administrator

Enclosure

Detailed Comments – Algonquin Incremental Market Project FEIS

Wetland Issues

EPA appreciates the responses provided to address wetland characterization, impact and mitigation issues we raised in response to the DEIS. We believe the information advances the discussion on these issues and will help support the ongoing review of the project under Section 404 of the Clean Water Act. Nevertheless, we note several outstanding concerns based on our review of the FEIS.

- EPA continues to believe that placing fill in wetlands is a direct impact. For example, backfilling trenches within new right of way (ROW) is considered a direct impact, which may result in either permanent or temporary impacts depending upon whether the resource is fully restored to its previous condition. We note that the FEIS was updated to itemize new ROW impacts. Also, we consider any permanent conversion of wetland type within the existing alignment as a permanent impact; for example, if project activities were to require expansion of permanently maintained areas into previously restored forested wetland areas. We intend to continue to participate in discussions regarding restoration and mitigation as part of the Corps Section 404 permit process for the project.
- EPA continues to recognize the placement of temporary construction mats, timber rip rap, etc. in wetlands, even though deployed as mitigative measures, as temporary wetland impacts that should be considered in the calculation of the total wetland impacts for the project. We are confident that this impact will be addressed in the Corps' Section 404 permitting for the project.
- EPA's comments on the FEIS requested additional analysis to determine if horizontal directional drilling (HDD) could be implemented to help reduce project impacts at stream crossing locations. We note that Algonquin has revised the project design to incorporate HDD at the Susquetonscut Brook (B13-ELR-S5B) crossing. EPA supports this approach, which will avoid and minimize impacts to the stream and adjacent wetlands.
- EPA believes that additional information is needed to understand the potential for impacts to streams from blasting and to determine the most appropriate mitigation measures for those impacts. It remains unclear whether the recommendation for providing blasting schedules for only designated coldwater fisheries and streams greater than 10 feet wide, along with the other measures described in the FEIS, is sufficiently protective of stream resources. The FEIS identified two streams - Susquetonscut Brook and the Unnamed Tributary to Stony Brook - as streams requiring time of year restrictions on blasting, and noted that additional restrictions may be required on a site-specific basis. EPA intends to work with the Corps and Connecticut Department of Energy & Environmental Protection (DEEP) to determine whether additional mitigation measures for blasting impacts are necessary for other streams in the project corridor.

We encourage FERC to be mindful of these issues as it works to develop final conditions and mitigation measures for the project certificate. Close interagency coordination will remain important to help successfully address these issues as the project continues through the FERC and Corps' Section 404 permitting processes.

Air Quality

EPA's comments during scoping, in response to the ADEIS and the DEIS, strongly recommended a commitment from Algonquin and a corresponding certificate condition by FERC to require specific measures during construction to help reduce and minimize air quality impacts. Our comments noted that these measures are not complicated to implement and they benefit residents in the project corridor during construction. The FEIS reports that, "Algonquin has committed to using ultra low sulfur diesel and best available technology on non-road engines where feasible." As of 2014 ultra-low sulfur diesel fuel is required for non-road applications. Despite the applicant's pledge, the lack of a FERC condition requiring the use of this technology provides little incentive and gives no certainty that these measures will be utilized for the project. We continue to encourage FERC to do more to reduce diesel emissions from the construction portion of the project, especially in populated areas, through the addition of a specific condition requiring these mitigation measures in the project certificate.

Enhanced Community Coordination

The FEIS response to comments section regarding Environmental Justice issues notes the commitment by Algonquin to prepare additional "fact sheets in Spanish to be posted on the Project website and to prepare notices regarding public meetings and, in the future, notices regarding construction information in Spanish for the identified Environmental Justice communities." Algonquin's willingness to enhance their community coordination for the balance of the project should be applauded. The commitment is the result of successful coordination between EPA and Algonquin during the EIS review process. EPA values the proponent's pledge to improve and enhance the communication with Spanish speaking populations in the project area. Better communication, regardless of whether the project will result in significant impacts to any particular community, and regardless of the language spoken in that community, is an important component of a successful project.

While we do not question the applicant's willingness to do more to communicate with the communities affected by the proposed project, EPA encourages FERC to make the requirement for community specific, language appropriate outreach a condition of project approval for this and other future projects. We disagree with the statement in the FEIS that "there is no need or requirement for additional measures, beyond those already proposed, to mitigate an impact that is not significant." The need for effective, targeted communication with the host communities exists regardless of the potential for impact, or the need for mitigation (in EJ and non-EJ communities alike). Language barriers can and should be overcome so that the public understands the potential for project impacts during construction and operation of the project and can effectively communicate with both FERC and the project applicant as appropriate. EPA looks forward to learning how FERC will incorporate the applicant's willingness to enhance project communication into the project authorization.

Greenhouse Gas Emissions

EPA notes and agrees with FERC staff acknowledgment that “disparate sources of greenhouse gas (GHG) emissions individually contribute to the global climate change issue.” As noted in our comments on the DEIS, we continue to believe that FERC should avoid the comparison of project related GHG emissions to those associated with an entire region. The goal of the analysis should not be to make emissions seemingly more or less significant; rather, it should be to disclose the emissions from the project in a manner that allows for an informed discussion of the emissions and measures that can be taken to address them.

EPA appreciates the information provided in the FEIS regarding Algonquin’s best management practices to minimize fugitive methane emissions and we encourage FERC to adopt those (applicant supported) measures as a condition of the project approval.

Cumulative/Indirect Effects

EPA continues to believe that the EIS should have more fully considered the potential for increased gas production associated with the development of project related pipeline capacity. In addition, we note that the FEIS discussion continues to make reference to gas extraction occurring more than 10 miles from the proposed project location as a rationale for limiting the discussion of cumulative impacts. Geographic proximity is not in and of itself the standard for NEPA’s requirement to consider impacts that have a reasonably close causal relationship to the proposed federal action.

We also continue to recommend that FERC consider relevant studies regarding methane leaks and emissions. With regard to EPA regulations concerning methane emissions from natural gas processing and transmission sources, please note that EPA is planning to issue a proposed rule later this year that will set standards for emissions from these sources (see “FACT SHEET: Administration Takes Steps Forward on Climate Action Plan by Announcing Actions to Cut Methane Emissions,” 1/14/2015, <http://yosemite.epa.gov/opa/admpress.nsf/6424ac1caa800aab85257359003f5337/8af2a9bcb2fd9d4f85257dcd0052a8fb!OpenDocument>). The link above provides information regarding EPA white papers that address various technical issues in the construction of gas pipelines. These papers may be helpful in developing estimated methane emissions from the entire project, as well as providing a basis for developing mitigation measures.